

Various Freehold and Leasehold Asset Disposals

APPENDIX J

(Part of) Wantage Farm, Moulton, Northampton

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5. Report Background

- 5.1 It has been identified that there was likely to be a shortage of approximately 150 secondary school places in West Northamptonshire in upcoming years. A free school has been approved by the Department for Education (DfE) for north of Northampton which will address this as well as assisting with general pressures on secondary places in this area.
- 5.2 For simplicity this appendix refers to WNC as an organisation throughout, even though actions prior to 1st April 2021 were by Northamptonshire County Council (NCC).
- 5.3 As it was unlikely that WNC could meet this demand within its existing portfolio of schools. WNC is reliant on the delivery of the proposed education facility. On this basis, WNC offered some of its strategic development land at Wantage Farm as a proposed location for the school. This site was approved by the DfE and it has started to undertake feasibility work prior to submitting a planning application.
- 5.4 Wantage Farm had been retained on the basis that there is medium to long term development potential, although it is currently not allocated for development. Any proposals for the site would need to follow a suitable planning process.
- 5.5 Given the level of due diligence that needed to be completed on the site WNC granted a Licence to the DfE allowing it to undertake surveys and ground investigation works to assess the viability of the site and in support of a future planning application.
- 5.6 Given the level of cost involved in such works, the DfE require WNC to enter into an agreement for lease committing WNC to granting a 125-year lease to the free / academy school provider once planning has been obtained and the building constructed. The agreement for lease was approved by an NCC Cabinet Member decision in March 2021 but unfortunately there was insufficient time prior to vesting day for this decision to be implemented.

5.7 This report therefore seeks authority from Cabinet to enter into an agreement for lease with the DfE for a new 125-year lease on the site for the provision of a new secondary school as set out in this report. While the lease would be conditional on the delivery of the secondary school, by entering in to such an agreement WNC would be committed to granting the 125-year lease once the various conditions are met. The lease would be at a peppercorn (no rent or premium charged).

6. Issues and Choices

- 6.1 As identified above there is likely to be a shortage of secondary school places in Northampton in future years. On this basis, WNC has offered up some of its development land to secure the investment from the DfE in the new school. While WNC could take the decision not to offer the land, by doing so it should likely lose the investment in the school and would be at significant risk of failing to meet its statutory obligation to provide enough secondary school places.
- 6.2 While various sites were considered by the DfE, we understand that the Wantage Farm site was deemed to be the most viable. Members are however advised that by making this decision, WNC would agree to grant a 125-year lease on the relevant part of this site and will no longer be able to generate any future development proceeds from it. As discussed earlier, the site is not currently allocated for development and therefore the future planning status cannot be determined with any degree of certainty at this stage.
- 6.3 The site in question extends to c10ha (24 acres) and is currently used for agricultural purposes. While it is not possible to accurately assess the future development potential of the site is (not least as ground conditions, highway implications, and acceptable site densities are unknown), if the site were to secure residential consent, then it is possible that site could command a value of c£10m.
- 6.4 This does however have to be considered against the c£25m estimated build cost of the secondary school which would have to be funded by WNC if the current proposal were not to proceed. When considering sites for new secondary schools it is likely that WNC would have needed to look at land within its own portfolio before approaching the market. It is therefore possible that if WNC needed to build the secondary school itself, that Wantage Farm would have been identified as a viable solution.

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 As discussed in more detail at 6.3 and 6.4 above, the site is being held as a future strategic development site but is not currently designated for development. While WNC would be giving up future development land, its potential, and the timescale for any development is unknown. By not moving forward, WNC would not have sufficient school places and may need to wholly fund an alternative solution.

7.1.2 The Council could develop a new school on the land but would have to fund the total cost. This proposal secures investment from the DfE to construct the new school. Having to fund the construction of a new school would require the Council to source around £25m of capital funding which it currently has not budgeted for.

7.2 Legal

7.2.1 While WNC is not under a statutory obligation to transfer or grant a lease of the site, the proposed agreement for lease this is a prerequisite of the DfE agreeing to make the investment and construct the school on the site. The disposal at a value less than the best reasonably obtainable this would be justified at present by the proposed school contributing to the social wellbeing of the area for the purposes of the General Disposal Consent (England) 2003. However, the under-value may exceed the £2m permitted by the Consent; if so, specific approval would need to be sought.

7.3 **Risk**

7.3.1 As highlighted previously the principal risk surrounds not making the decision to grant the 125-year lease. Without this commitment, the DfE would not proceed with the investment and WNC would be at risk of not being able to fulfil its statutory obligation to provide sufficient school places. In addition to this, WNC would be left with a requirement to fund the development of the new school at an estimated cost of £25m which it currently have not budgeted for.

7.4 Consultation

7.4.1 The scheme would be subject to consultation on the planning application to be made by DfE.

7.5 Consideration by Overview and Scrutiny

7.5.1 None.

7.6 **Climate Impact**

7.6.1 No material impact on climate is anticipated as a result of this decision.

7.7 **Community Impact**

7.7.1 By agreeing to this recommendation WNC would be able to support the provision of additional school places in Northampton to meet the projected demand. This would ensure that WNC would be able to meet its statutory obligation and be able to offer secondary education places to the local community.

8. Background Papers

8.1 None.